

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CIAE-00 COME-00

INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-02

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FM AMEMBASSY OTTAWA

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UNCLAS OTTAWA 0545

POUCHED TO ALL OTHER CONSULAR POSTS IN CANADA

E.O. 11652: N/A

TAGS: ETRD, CA

SUBJECT: GOC RESTRICTIONS ON IMPORTS OF DOUBLE-KNIT, NYLON AND
POLYESTER FABRICS

REF: OTTAWA 0544

FOLLOWING IS TEXT OF INDUSTRY, TRADE AND COMMERCE FEBRUARY 11
PRESS RELEASE REFERRED TO IN REFTEL:

QUOTE: THE HONOURABLE JEAN CHRETIEN, MINISTER OF INDUSTRY,
TRADE AND COMMERCE, ANNOUNCED TODAY MEASURES THE GOVERNMENT IS
TAKING AS A RESULT OF REPORTS OF THE TEXTILE AND CLOTHING
BOARD, RESPECTING DOUBLE-KNIT FABRICS AND NYLON AND POLYESTER
FABRICS. THE REPORTS WERE TABLED EARLIER IN THE HOUSE.

THE REPORT ON DOUBLE-KNIT FABRICS STATES THAT THERE HAS BEEN
A DETERIORATION IN THE CANADIAN MARKET CAUSED BY HIGH LEVELS
OF IMPORTS AT VERY LOW PRICES. THE BOARD ALSO FOUND THAT THE
SITUATION WAS COMPLICATED BY A DECREASE IN CANADA MARKET DEMAND
RESULTING FROM CERTAIN STYLE TRENDS AWAY FROM DOUBLE-KNIT FABRICS.

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ACCEPTING THE FINDINGS OF THE BOARD, MR. CHRETIEN ANNOUNCED
THE IMPOSITION OF A THREE-YEAR GLOBAL IMPORT QUOTA ON DOUBLE-
KNIT FABRIC COMMENCING APRIL 8, 1977, THAT IS UPON THE EXPIRY OF
THE PRESENT QUOTA. THE LEVEL IN THE FIRST YEAR WILL BE 8.5
MILLION POUNDS WHICH WILL BE DISTRIBUTED TO CANADIAN IMPORTERS
SEMI-ANNUALLY BASED ON THEIR HISTORICAL IMPORT PERFORMANCE.

THE BOARD REPORT ON NYLON AND FILAMENT POLYESTER FABRICS

STATED THAT NYLON FABRICS FROM JAPAN, KOREA AND TAIWAN AND FILAMENT POLYESTER FABRICS FROM JAPAN, KOREA, TAIWAN AND HONG KONG WERE BEING IMPORTED AT SUCH PRICES, IN SUCH QUANTITIES AND UNDER SUCH CONDITIONS AS TO CAUSE OR THREATEN SERIOUS INJURY TO CANADIAN PRODUCERS. IN ADDITION, THE BOARD FOUND THAT IMPORTS OF NYLON FABRICS FROM POLAND HAD INCREASED SUBSTANTIALLY AND WOULD LIKELY REACH DISRUPTIVE PROPORTIONS IF PERMITTED INTO CANADA UNRESTRAINED.

THE BOARD NOTED THAT IMPORTS OF BOTH NYLON AND POLYESTER FABRICS WERE GROWING AT A FASTER RATE THAN DOMESTIC PRODUCTION AND IF NOT RESTRAINED WOULD PUT SERIOUS PRESSURE ON DOMESTIC PRODUCERS. FURTHER, DOMESTIC PRODUCERS WERE MOST VULNERABLE TO IMPORTS FROM "LOW-COST" COUNTRIES WHOSE EXPORTS ARE DIRECTLY COMPETITIVE WITH CANADIAN-PRODUCED GOODS.

THE MINISTER ACCEPTED THE FINDINGS OF THE BOARD AND ANNOUNCED THAT THE GOVERNMENT WILL UNDERTAKE THE FOLLOWING MEASURES:

- TO EXPAND IMPORT SURVEILLANCE BY ADDING NYLON FABRICS ORIGINATING IN HONG KONG AND THE PEOPLE'S REPUBLIC OF CHINA, TO THE IMPORT CONTROL LIST;
- TO INITIATE CONSULTATIONS WITH JAPAN AND TAIWAN IN ORDER TO RENEW RESTRAINT ARRANGEMENTS, AND WITH KOREA AND POLAND IN ORDER TO ESTABLISH RESTRAINT ARRANGEMENTS ON EXPORT OF NYLON FABRICS TO CANADA FOR A THREE-YEAR PERIOD;
- TO EXPAND IMPORT SURVEILLANCE BY ADDING FILAMENT POLYESTER FABRICS ORIGINATING IN SPAIN, SINGAPORE AND THE PHILLIPPINES TO THE IMPORT CONTROL LIST;
- TO INITIATE CONSULTATIONS WITH JAPAN, KOREA AND TAIWAN IN ORDER TO RENEW RESTRAINT ARRANGEMENTS, AND WITH HONG KONG IN ORDER TO ESTABLISH RESTRAINT ARRANGEMENT ON EXPORT OF UNCLASSIFIED

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POLYESTER FABRICS TO CANADA FOR A THREE-YEAR PERIOD. UNQUOTE.

ENDERS

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Message Attributes

Automatic Decaptioning: X
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Sent Date: 11-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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